

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

<https://www.wsj.com/articles/senate-republicans-vow-to-block-treasury-nominations-until-nord-stream-ii-firm-is-sanctioned-11631567328>

◆ **WSJ NEWS EXCLUSIVE** | POLITICS

Senate Republicans Vow to Block Treasury Nominations Until Nord Stream II Firm Is Sanctioned

Top Treasury nominations include sanctions, counterterror finance chiefs



The Biden administration has implemented sanctions against several firms that have supported the pipeline project, but not Nord Stream 2 AG. A station on the pipeline in Ust-Luga, Russia, in January.

PHOTO: ANDREY RUDAKOV/BLOOMBERG NEWS

By [Ian Talley](#) and [Brett Forrest](#)

Updated Sept. 13, 2021 5:59 pm ET

WASHINGTON—Senior Senate Republicans on Monday threatened to indefinitely hold up the nominations of five top Treasury Department officials if the Biden administration doesn't blacklist the firm managing Russia's Nord Stream 2 pipeline project.

Sen. Pat Toomey (R., Pa.) and Ted Cruz (R., Texas) said they are prepared to approve the nominations, including two national security posts that oversee sanctions and counterterror finance, if the Treasury Department blacklists Russia-owned Nord Stream 2

The Facebook Files

Facebook says its rules apply to all. Company documents reveal a secret elite that's exempt.

READ

irritate relations with critical ally Germany and do little to stop the project, given that it was near completion.

Gazprom, Russia's state-controlled gas-export monopoly and the pipeline owner, said last week that construction on the pipeline had been completed. But there are still bureaucratic hurdles that have to be overcome to get it running.

Nord Stream 2 is designed to accommodate the transmission of 55 billion cubic meters of gas annually, the company said.

Republicans say they are concerned the pipeline project bolsters Europe's reliance on Russian energy and gives Moscow leverage over Washington's trans-Atlantic allies. By holding up the five top Treasury nominations, they hope to pressure the administration into sanctioning the managing firm and stymie the pipeline's startup.

"The administration's so-called 'deal' with Germany hands Vladimir Putin a geostrategic victory, entrenches corrupt Russian influence in Europe, and drastically weakens the security of Ukraine, Poland, and other states on the frontline of Kremlin aggression," Mr. Toomey, the ranking member of the Banking Committee, and Mr. Cruz said in a letter to the chairmen of the Senate Banking and Foreign Relations Committees.

A Treasury spokeswoman said that while the department has experienced career staff who are experts in their fields, "The Senate should move quickly to confirm these nominees who are integral to disrupting illicit finance, combating terrorism, and administering sanctions."

Nord Stream 2 AG officials didn't respond to a request for comment.

The Banking Committee is scheduled to vote Wednesday on the nominations of Brian Nelson as the Treasury's undersecretary for terrorism and financial intelligence and Elizabeth Rosenberg for the role of assistant secretary for terrorism financing.

Without Republican support in the committee, Democratic lawmakers face long odds getting the nominations approved

The Facebook Files

Facebook says its rules apply to all. Company documents reveal a secret elite that's exempt.

READ

secretary for tax policy and Benjamin Harris as assistant secretary for economic policy all have been committee-approved, but full Senate ratification has been held up by Mr. Cruz.

The Texas Republican said he's prepared to lift his holds—as well as those he has on nearly two dozen State Department appointments—if the administration commits to sanctioning the Russian project management firm.

Sen. Robert Menendez (D., N. J.), the chairman of the Senate Foreign Relations Committee, didn't immediately respond to a request for comment. The chairman of the Banking Committee, Sen. Sherrod Brown (D., Ohio), directed questions to the State Department and White House. "Decisions on sanctions regarding the NS II pipeline are made by the administration," a spokeswoman for Mr. Brown said.

The Republican senators say a federal law called the Countering America's Adversaries Through Sanctions Act, signed into law in 2017, mandates blacklisting companies or individuals involved in evasion of the act's sanctions. They say the provisions allow for the administration to delist the company, but that opens the door for Congress to vote on the issue.

Republican aides said the law mandating sanctions had bipartisan support, fueled by concern the Trump administration would treat Moscow too favorably. Given that some Democratic lawmakers opposed the Biden administration's Nord Stream 2 decision, those aides said Congress could vote to keep the firm on Treasury's blacklists.

The risk of sanctions, the aides said, could dissuade companies from providing certification.

In November, Norwegian certification company DNV suspended its work on Nord Stream 2 after assessing that its activities could expose the company to sanctions under Protecting Europe's Energy Security Act, a 2019 U.S. law specific to the pipeline, a company spokesman said.

Last week, Germany's energy regulator Bundesnetzagentur received Nord Stream 2 AG's application for an operating license. The company has four months to engage an

The Facebook Files

Facebook says its rules apply to all. Company documents reveal a secret elite that's exempt.

READ

face additional, unrelated delays. Last month, a German court rejected Nord Stream 2 AG's bid to bypass a European Union pro-competition regulation mandating that a gas producer and the company that transports the gas be separate entities.

One of the congressional aides said the Biden administration, besides worrying about creating diplomatic friction with allies, may also be concerned about setting precedent regarding sanctions, because Treasury officials also could have to sanction other companies.

Write to Ian Talley at ian.talley@wsj.com and Brett Forrest at brett.forrest@wsj.com

MORE NORD STREAM COVERAGE

Further WSJ coverage of the pipeline, selected by the editors.

[Construction of Nord Stream 2 Pipeline Is Complete, Russian Gas Company Says](#) (Sept. 10)

[Biden, Zelensky Discuss Energy, Russia, Ukraine's Future With the West](#) (Sept. 1)

[Gas Shortage Boosts Russia's Sway Over Europe's Energy Markets](#) (Aug. 25)

[U.S.-German Deal on Russia's Nord Stream 2 Pipeline Expected Soon](#) (July 20)

[Biden Faces New Pressure to Act on Russia's Nord Stream 2 Gas Pipeline](#) (April 16)

Copyright © 2021 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

The Facebook Files

Facebook says its rules apply to all. Company documents reveal a secret elite that's exempt.

READ

This material is distributed by Yorktown Solutions, LLC on behalf of the All-Ukrainian Industry Association "Federation of Employers of the Oil and Gas Industry." Additional information is available at the Department of Justice, Washington, D.C.

Received by NSD/FARA Registration Unit 09/15/2021 11:41:23 AM